

Meeting Summary
Dealer Practices Committee
Monday January 28, 2019

Chairman Ron Kody called the Dealer Practices Committee meeting to order at 9:04 a.m. in Room 702 of the DMV Headquarters Building at 2300 West Broad Street in Richmond. Present were Committee members: Gardner Britt, Steve Farmer, Rob Fisher, Geoff Malloy, Chris Maher, Senior Saghafi, Joe Tate. (Absent: Michael Bor, Liza Borches, Matt McQueen). Other Board members present: Rick Holcomb, Ted Bailey, Dan Banister, Randy Harris, Maurice Slaughter. Executive Director William Childress, Lisa Mack-Nelson, Wanda Neely and Ann Majors represented the Dealer Board. Christian Parrish represented the Attorney General's office.

The November 5, 2018 meeting summary was approved.

PUBLIC COMMENT

There was no public comment.

OLD BUSINESS – There was no old business.

OLD BUSINESS FROM THE FLOOR – There was no old business from the floor.

NEW BUSINESS

Discussion: Supplemental Sales – William Childress – The Board Chairman, Committee Chair, and Executive Director agreed that this topic should be moved to the Licensing Committee for discussion.

Review and Action: Informal Fact-Finding Conferences:

Ron Kody reminded the committee members that the first 4 cases being considered today were reviewed during the Board's November meeting. These cases were being reconsidered because the dealers did not have proper notice regarding the start time of the November Board meeting and therefore not properly given an opportunity to appear before the Board.

Dixie Motorsports, Inc. and Wendy L. Murray – On August 29, 2018, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1533 and 1575 (2). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$750 and a satisfactory inspection.

Motion was made by Chris Maher to accept the hearing officer's recommendation of assessing a civil penalty of \$750 and a satisfactory inspection within 90 days. Rob Fisher seconded. The motion carried unanimously.

Xceleration Auto Sales, LLC and Hatim N. Abed – On August 28, 2018, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1547 and 1575 (18). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$500 for violations of 46.2-1547.

Motion was made by Steve Farmer to accept the hearing officer's recommendation of assessing a civil penalty of \$500. Rob Fisher seconded.

Amended Motion was made by Joe Tate to assess a civil penalty of \$2,000. Gardner Britt seconded. The motion carried unanimously.

Kingdom Kars Auto Sales, LLC and Michael B. Hathaway – On October 1, 2018, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1529, 1547 and 1575 (1) and (2). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$4,000 and to complete a satisfactory inspection within 90 days.

Motion was made by Joe Tate to accept the hearing officer's recommendation of assessing a civil penalty of \$4,000 and to complete a satisfactory inspection within 90 days. Rob Fisher seconded. The motion carried unanimously.

17 Auto Sales & Repair, LLC and Derrick W. Washington – On October 2, 2018, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1575 (6) and (9). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$500, to complete a satisfactory inspection and to successfully complete the 2-day Dealer-Operator course.

Motion was made by Joe Tate to accept the hearing officer's recommendation of assessing a civil penalty of \$500, satisfactory inspection and to successfully complete the 2-day Dealer-Operator course. Rob Fisher seconded. The motion carried unanimously.

Enterprise Automotive Financial, LLC and Jassam M. Sarhan – On October 24, 2018, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1533 and 1575 (1) and (2). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$750, satisfactory inspection to be conducted and to successfully complete the 2-day Dealer-Operator Course.

Motion was made by Joe Tate to assess a civil penalty of \$1,500, satisfactory inspection within 90 days and successfully complete the dealer operator course. Chris Maher seconded. The motion carried unanimously.

C & C Motor Sales, Inc. and Richard L. Custer – On October 24, 2018, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1515, 1529, 1530, 1533, 1539, 1548, 1550 and 1575 (2). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$750, satisfactory inspection to be conducted and to successfully complete the 2-day Dealer-Operator Course.

Tim and Amy McAvoy were present and spoke on behalf of Mr. Custer.

Motion was made by Chris Maher to accept the hearing officer's recommendation of assessing a civil penalty of \$750, satisfactory inspection and for Mr. McAvoy to successfully complete the 2-day Dealer-Operator course. Rob Fisher seconded.

Amended Motion made by Gardner Britt to assess a civil penalty of \$1,250, satisfactory inspection and the 2-day Dealer-Operator course. Joe Tate seconded. All in favor: 4 (Farmer, Kody, Britt, Malloy). Opposed: 4 (Tate, Maher, Fisher, Saghafi). Matter will be reviewed and decided during Full Board.

Tony's Auto & Truck Sales and Grover A. Wilson – On October 30, 2018, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1533 and 1575 (2). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$250, satisfactory inspection to be conducted and if Mr. Wilson is retaining his dealership, to successfully complete the 2-day Dealer-Operator Course.

Mr. Wilson was present and spoke on his own behalf.

Motion was made by Joe Tate to assess a civil penalty of \$750, satisfactory inspection and successfully complete the Dealer-Operator course. Chris Maher seconded. The motion carried unanimously.

Budget Auto Sales, Inc. and David W. Phillips – On October 31, 2018, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-722 and 1575 (1), (6) and (9). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$500 and to successfully complete the 2-day Dealer-Operator Course.

Mr. Phillips was present and spoke on his own behalf.

Motion was made by Joe Tate to accept the hearing officer's recommendation of assessing a civil penalty of \$500 and successfully complete the 2-day Dealer-Operator course. Rob Fisher seconded. The motion carried unanimously.

D Motors, LLC and Dmitriy Chaplinskiy – On November 13, 2018, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1547 and 1575 (1). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$5,000 and to successfully complete the 2-day Dealer-Operator Course.

Motion was made by Rob Fisher to assess a civil penalty of \$10,000 and successful completion of the 2-day Dealer-Operator Course. Chris Maher seconded. The motion carried unanimously.

Tri-State Automotive, LLC and Jeremy D. White – On September 18, 2018, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1533, 1575 (1) and (2). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$750 and a satisfactory inspection to be conducted.

Mr. White was present and spoke on his own behalf.

Motion was made by Senior Saghafi to accept the hearing officer's recommendation of assessing a civil penalty of \$750 and a satisfactory inspection within 90 days. Rob Fisher seconded. The motion carried unanimously.

Ed and Ted Auto Sales and Ted V. Tapscott – On November 28, 2018, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1539 and 1575 (2). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$1,000 for violations of VA Code Section 46.2-1539, written warning for the violation of VA Code Section 46.2-1575 (2) and the successfully complete the 2-day Dealer-Operator Course.

Motion was made by Chris Maher to accept the hearing officer's recommendation of assessing a civil penalty of \$1,000 and to successfully complete the 2-day Dealer-Operator Course. Rob Fisher seconded. The motion carried unanimously.

Car Loft and Farooq Zahir – On December 27, 2018, an informal fact-finding conference was conducted to address the alleged violations of VA Code Section 46.2-1547. Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$2,000, temporary suspension until all assessed fees are paid and a satisfactory inspection within 90 days.

Mr. Zahir was present and spoke on his own behalf. Muhammad Javed was present and spoke on his own behalf.

Motion was made by Joe Tate to assess a civil penalty of \$500, a satisfactory inspection within 90 days and no suspension. Rob Fisher seconded. All in favor: 7 (Britt, Farmer, Fisher, Maher, Malloy, Saghafi and Tate). Opposed: 1 (Kody). The motion carried.

Review and Action: Formal Hearing:

F & K Auto, LLC and Alford T. Robertson – Historical Overview leading up to the formal hearing: On July 26, 2018, an informal fact-finding conference was conducted to address the alleged violations of VA Code Sections 46.2-1533 and 1575 (2). Based on the information provided at the conference, the hearing officer recommended assessing a civil penalty of \$2,000 and a satisfactory inspection. The Board adopted a resolution a resolution agreeing with the hearing officer's recommendation of assessing a civil penalty of \$2,000 and a satisfactory inspection. On October 11, 2018, Mr. Robertson appealed for a formal hearing. On November 13, 2018, a formal hearing was conducted to address the above alleged violations. Based on the information provided at the hearing, the hearing officer recommended assessing a civil penalty of \$1,000 and a satisfactory inspection to be conducted within 90 days.

Mr. Robertson was present and spoke on his own behalf.

Motion was made by Rob Fisher to accept the hearing officer's recommendation of assessing a civil penalty of \$1,000 and a satisfactory inspection within 90 days. Joe Tate seconded. The motion carried unanimously.

All In One Auto Group, LLC and Zia Tabatabai – Historical Overview leading up to the formal hearing: On August 29, 2018 an informal fact-finding conference was conducted to address the alleged violations of VA Code Section 46.2-1575 (9). Based on the information provided at the hearing, the hearing officer recommended assessing a civil penalty of \$750 and a satisfactory inspection within 90 days. At the September 10, 2018 Committee and Full Board Meetings, The Board adopted a resolution agreeing with the hearing officer’s recommendation of assessing a civil penalty of \$750 and a satisfactory inspection within 90 days. On October 10, 2018, Mr. Tabatabai appealed the Board’s decision. On November 27, 2018 a formal hearing was conducted to address the above mentioned VA Code Section. Based on the information provided at the hearing, the hearing officer recommended assessing a civil penalty of \$750 and a satisfactory inspection within 90 days.

Motion was made by Steve Farmer to accept the hearing officer’s recommendation of assessing a civil penalty of \$750 and a satisfactory inspection within 90 days. Rob Fisher seconded. The motion carried unanimously.

NEW BUSINESS FROM THE FLOOR – There was no new business from the floor.

NEXT MEETING

The next meeting is scheduled for March 11, 2019

The meeting adjourned at 10:30 a.m.